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Message Text

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50
ACTION EUR-25

INFO OCT-01 AF-10 ISO-00 SAM-01 PA-04 PRS-01 USIA-15

AID-20 CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00

RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-03 LAB-06

SIL-01 OMB-01 NSC-07 SS-20 STR-08 CEA-02 DRC-01 /174 W
---------- 109958
R 301229Z AUG 74
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 0384
INFO AMCONSUL LUANDA
AMCONSUL PONTA DELGADA
AMCONSUL LOURENCO MARQUES
AMCONSUL OPORTO

UNCLAS LISBON 3710

EO 11652: N/A
TAGS: EFIN, PO
SUBJECT: NATIONALIZATION OF PORTUGUESE BANKS OF ISSUE

1. TUCKED AWAY IN AN OFFICIAL COMMUNIQUE EARLIER THIS WEEK WAS AN ANNOUNCEMENT THAT THE COUNCIL OF MINISTERS HAD CONSIDERED DRAFTING LAWS TO NATIONALIZE PORTUGAL'S THREE BANKS OF ISSUE: BANCO DE PORTUGAL (METROPOLITAN PORTUGAL), BANCO DE ANGOLA (ANGOLA), AND BANCO NACIONAL ULTRAMARINO (MOZAMBIQUE AND ALL OTHER TERRITORIES). NO INDICATION WAS GIVEN AS TO WHEN SUCH LAWS MIGHT APPEAR.

2. THE ABOVE ANNOUNCEMENT PROVOKED LARGE HEADLINES, AND SOME INTERPRETED IT AS A PRELUDE TO FURTHER NATIONALIZATION BY THE PROVISIONAL GOVERNMENT.

3. COMMENT: SUCH REACTION WAS INFLATED. IN THE FIRST PLACE, THE GOVERNMENT LET IT BE KNOWN SHORTLY AFTER THE REVOLUTION THAT IT FAVORED NATIONALIZATION OF THESE
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THREE BANKS. THUS AS AN INDICATION OF THE

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GOVERNMENT'S THINKING, THE ANNOUNCEMENT THAT THE CABINET
WAS CONSIDERING LAWS FOR THIS PURPOSE IS NOT NEW. IN
THE SECOND PLACE, AS A PRACTICAL MATTER, NATIONALIZATION
WHEN IT COMES WILL NOT BE PARTICULARLY MEANINGFUL. THE
GOVERNMENT HAS LONG CONTROLLED THE ADMINISTRATION OF ALL
THREE BANKS. NO ONE IN GOVERNMENT OR BANKING
CIRCLES WE HAVE TALKED TO CONSIDERS NATIONALIZATION OF
THE BANKS OF ISSUE TO BE A FIRST STEP TO TAKE OVER
OF THE COMMERCIAL BANKING SYSTEM. THEY SEE IT RATHER
AS A STEP WHICH BRINGS PORTUGUESE PRACTICES MORE IN LINE
WITH THOSE ELSEWHERE.
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Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 30 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LISBON03710
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740241-0169
From: LISBON
Handling Restrictions: n/a
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Review Exemptions: n/a
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Secure: OPEN
Status: NATIVE
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